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**GOVERNANCE COMMITTEE**  
**MINUTES OF THE MEETING HELD ON 11 NOVEMBER 2019**

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**Present:** Councillors Keogh (Chair), Bunday, G Galton, Harwood,  
Professor Margetts, Spicer and White

23. **APOLOGIES AND CHANGES IN MEMBERSHIP**

The Committee noted the resignation of Councillor Kataria and the appointment of Councillor Bunday in place thereof in accordance with the provisions of Council Procedure Rule 4.3.

24. **MINUTES OF PREVIOUS MEETING (INCLUDING MATTERS ARISING)**

**RESOLVED:** that the minutes for the Committee meeting on 30<sup>th</sup> September 2019 be approved and signed as a correct record.

25. **HR REPORT COUNCIL APPRAISALS**

The Committee received and noted the report of the Service Director Human Resources and Organisational Development detailing the revised Council Performance Review Process following the introduction of Business World in October 2019.

26. **ANNUAL REPORT ON INTERNAL COMPLAINTS/LOCAL GOVERNMENT OMBUDSMAN COMPLAINTS 2018/19**

The Committee received and noted the report of the Director Legal and Governance detailing the Annual Report on Internal Complaints/Local Government Ombudsman Complaints 2018/19.

The Committee particularly noted that there had been a 14.7% increase in Adult Services complaints which had been attributed to the changes in the charging policy and had been expected as a result. It was also noted that there was an expectation that next year would continue to see an increase as there were a number of significant changes that would be taking place in Adult Services which would present as a challenge.

The Committee suggested that it may be helpful for an audit scope to be considered for service areas in the future.

27. **NO ASSURANCE AUDIT - PURCHASE PRE-PAID CARDS**

The Committee received a presentation from Vanessa Shahani, Service Lead Business Services providing an update on progress regarding the Purchase Pre-Paid Cards Limited Assurance Audit. The Committee noted that there were 101 holders of the purchase pre-paid cards, 43 in the local authority and 58 in schools. Cards were provided by contract with Lloyds bank and were pre-loaded with amounts from £500-£1000 for use of low value purchases that could not be bought through other means.

In terms of progress it was noted that the introduction of Business World in October 2019 would do more for managers in monitoring spend, Capita had now been insourced which meant procurement was in-house and the whole pay journey procurement could be reviewed. In addition it was noted that early stages of

procurement were in place for a hotel and travel portal which would go live early in the new financial year. Joint training workshops provided by procurement and a/c payable team were planned for January/February for all card holders.

The Committee were assured that progress was being made and that improvements would become “business as usual” for the future and that there would be a report back to Governance Committee as part of the Audit Plan at the end of the financial year.

28. **NO ASSURANCE AUDIT - WATER QUALITY**

The Committee received a presentation from Ian Moss, Service Lead Health, Safety and Employee Wellbeing providing an update on progress regarding the Water Quality Limited Assurance Audit.

The Committee noted that whilst a limited assurance audit had been provided work was being undertaken to address the points raised but they had been unable to be evidenced until February 2019. A Gap analysis that had been undertaken had also identified training needs which had already been provided for caretakers and the “responsible person”.

The Committee were assured that progress was being made for those areas that were the direct responsibility of the Local Authority and that there would be a report back to Governance Committee as part of the Audit Plan at the end of the financial year.

29. **RISK MANAGEMENT REPORT 2019**

The Committee received and noted the report of the Service Director Finance and Commercialisation detailing the Risk Management Report 2019 which provided a summary of the Council’s Risk Management Framework together with information on the arrangements and initiatives in place to manage the risk.

30. **EXTERNAL AUDIT ANNUAL LETTER 2018/19**

The Committee received and noted the report of the External Auditor detailing the Annual Audit Letter 2018-19 which summarised key findings from across the range of the auditor’s work and responsibilities under statute and the Code, in relation to the 2018/19 audit.

The Committee noted that this was Helen Thompson’s last meeting as External Auditor due to Public Sector requirements of a rotational policy every 5years and Helen had served 5years for Southampton. The Committee thanked Helen for her work and commitment and wished her well for the future.

31. **REVIEW OF PRUDENTIAL LIMITS AND TREASURY MANAGEMENT MIDYEAR 2019/20**

The Committee considered the report of the Director of Finance and Commercialisation (S151 Officer) detailing the Treasury Management activities and performance for 2019/20 to date against the approved Prudential Indicators for External Debt and Treasury Management.

The Committee particularly noted that in relation to the current investment strategy forecast returns with a current weighted average rate was 1.58% with the average being 1.22%.

The Committee also suggested that it would be beneficial for the Council's Treasury Management Advisors to do an All Member briefing ahead of the Council's Budget meeting in 2020.

**RESOLVED:**

- (i) That the Treasury Management activities for 2019/20 and performance against the Prudential Indicators be noted;
- (ii) That the continued proactive approach to Treasury Management had led to reductions in borrowing costs and safeguarded investment income during the year be noted; and
- (iii) That authority continued to be delegated to the S151 Officer to make any future changes which benefitted the authority and to report back at the next Treasury update.

32. **INTERNAL AUDIT PROGRESS REPORT 2019-20**

The Committee received and noted the report of the Chief Internal Auditor detailing the Internal Audit Progress report for the period 17<sup>th</sup> September to 30<sup>th</sup> October 2019.

The Committee noted that the plan was on track together with movement that had taken place within it and that there were no areas of "no assurance".